

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
Protecting Against National Security Threats to the)	WC Docket No. 18-89
Communications Supply Chain Through FCC)	
Programs)	

COMMENTS OF MARK TWAIN COMMUNICATIONS COMPANY

Mark Twain Communications Company (“MTCC”), by counsel, hereby submits these comments in response to the *Notice of Proposed Rulemaking* (“NPRM”) in the above captioned proceeding.¹ For the reasons stated herein, MTCC urges the Federal Communications Commission (“FCC” or the “Commission”) to strongly consider the negative economic impact of the proposed rule described in the NPRM on small businesses, and in particular on small rural telecommunications companies, when reaching its final conclusions and promulgating rules, if any, in the proceeding. Further, MTCC requests that the FCC not tie the use of Universal Service Fund (“USF”) funds to a prohibition against the purchase of equipment or services from communications equipment or service providers unless the United States government proves that the use of specific equipment manufactured by such providers in rural areas is an actual threat to the national security of the United States and makes such final determination available to all telecommunications providers.

¹ *In re* Protecting Against National Security Threats to the Communications Supply Chain Through FCC Programs, *Notice of Proposed Rulemaking*, WC Docket No. 18-89 (April 17, 2018).

I. Background

MTCC's parent is Mark Twain Rural Telephone Company (the "Cooperative"). The Cooperative is a rural telephone cooperative that was formed in 1953 to provide rural telephone service to subscribers in rural areas surrounding the city of Hurdland in in Knox County, Missouri. The Cooperative and MTCC serve northeast Missouri ("Service Area"). In 1984, MTCC was formed as a wholly-owned subsidiary of the Cooperative to offer communications services complimentary to those provided by the Cooperative. Since that time, MTCC has constructed and currently operates a fixed wireless network in the Service Area ("Network"). Currently, MTCC uses both licensed 700 MHz and 2.5 GHz spectrum and has partnered with many local schools to lease additional spectrum to provide Internet service via the Network to subscribers in the Service Area. Both the Cooperative and MTCC are eligible telecommunications carriers ("ETCs") and receive federal financial support. MTCC's sole mission is dedicated to enhancing the quality of life for its customers and partners and the economic growth of the Service Area. MTCC has worked for many years building a reputation of great service in the Service Area using fixed wireless technology, and it has spent millions of dollars and countless man-hours doing so.

II. Discussion

A. The Proposed Rule Will Result in Uncertainty for Rural Telecommunications Companies.

At the outset, it is important for the Commission to be aware that the overall uncertainty created by the release of the NPRM and the potential inability of rural telecommunications companies to predict which communications equipment or service providers may be determined in the future to pose a national security threat to the integrity of communications networks or the communications supply chain will discourage such companies from investing additional money

and resources into future network expansion and deployment. The uncertainty created by the mere release of this NPRM has already negatively impacted MTCC, putting future deployment plans and equipment purchases in jeopardy. MTCC, like other independent rural operators, was blindsided by the Commission's proposals and has had to use its limited resources to assess the implications of these proposed rules, rather than continuing to carry out its core mission: to serve unserved and underserved portions of rural Missouri.

In addition, almost every component used in the construction and operation of telecommunications networks, wired and wireless, is partially manufactured overseas. America is part of a global economy, and the small rural telecommunication company has no way to predict which communications equipment or service providers may be determined in the future to pose a national security threat.

B. The Proposed Rule Will Cause Substantial Harm to Rural Telecommunications Companies, Consumers, and Rural Deployment.

In the NPRM, the Commission asks, among other things, what impact the proposed rule will have on small businesses.² National security in general, and the safeguarding and security of telecommunications networks in particular, are extremely important to MTCC, and MTCC fully supports well-reasoned efforts to protect the country in these matters. However, MTCC has not seen any evidence that the drastic measures proposed in the NPRM are necessary, or even reasonably related, to furthering the goal of national security. In fact, if implemented, the proposed rule would stifle rural deployment of broadband wireless networks and therefore harm rural America in several ways. The costs associated with the replacement of existing network equipment which in the future is determined to violate the proposed rule imposes a significant

² See *id.*, ¶ 33.

and unreasonable financial burden on rural telecommunications companies. These costs will be incurred in the form of, among other things, actual equipment costs, as well as research and development and pre-deployment testing. As a result of such costs, the proposed rule would cause substantial irreparable harm to small rural telecommunications companies and, in some cases, may force some such companies out of business.

In addition, the rural consumers who rely on these small rural companies for the provision of telephone, wireless and Internet services which are otherwise unavailable to them are harmed. This result is contrary to the purpose of the USF, which is intended to increase access to evolving services for consumers living in rural and insular areas, and for consumers with low-incomes, as well as for increased access to high-speed Internet in the nation's schools, libraries and rural health care facilities.

C. The FCC Should Not Tie Denial of USF Support to the Purchase of Type-Accepted and Approved Equipment.

If the FCC proceeds with the adoption of rules governing the purchase of equipment from companies that could be deemed a threat to national security, the receipt of USF funds by rural telecommunications companies should not be implicated. To dictate otherwise would jeopardize wireless access for rural customers across the country, as MTCC, whose parent company depends on USF funds for rural deployments, and other similarly situated rural carriers would be forced to cease providing wireless services in order to avoid the application of the proposed rule to them and the resulting harm to their businesses and customers.

Specifically, MTCC has constructed its Network using equipment manufactured by Huawei, a Chinese company. MTCC chose Huawei as its vendor for several reasons, the most relevant of which are the affordability and reliability of its equipment. Given MTCC's size and financial status, purchasing the equipment necessary to construct the Network from Huawei was

its only option at the time, as the cost of such equipment from other vendors used by large nationwide wireless providers was prohibitive. In constructing the Network, MTCC followed all FCC rules regarding vendor selection and purchased only type-accepted equipment.

Additionally, MTCC has expended significant time and financial resources to acquire the spectrum and other assets necessary for the construction, operation, and maintenance of the Network and for the provision of the services thereby to rural consumers. If MTCC's current Network equipment is later determined to be in violation of the proposed rule, MTCC will incur debilitating costs to purchase a new core for switching, base stations, CPE, etc. Thus, despite the fact that the NPRM states that the proposed rule would apply only prospectively,³ the proposed rule would actually have extremely harmful retroactive effects. MTCC should not be penalized for operating its business in compliance with the rules promulgated by the federal government.

Further, some small rural telecommunications companies may have obligated themselves by contract to use the maintenance services of a company that is later determined to pose a national security threat, and their existing networks built from such company's equipment may not be able to interoperate with equipment which, as a result of the proposed rule, must come from another company.

In fact, MTCC believes that requiring USF recipients to expend extensive financial and other resources to rebuild their networks actually results in such companies having fewer resources to invest in national security with respect to their own telecommunications networks. A more reasonable approach to protecting national security through telecommunications networks is to prohibit, at the outset, the sale of equipment and services from any communications equipment or service provider identified as posing a national security threat.

³ See *id.*, ¶ 17.

The significant, and possibly devastating, burden of complying with the proposed rule should not be placed on small rural telecommunications companies who are dependent on USF funds to carry out their mission of serving unserved and underserved rural areas of America. If the proposed rule is adopted, the FCC should, at a minimum, offer an effective waiver process and provide for a sufficient mitigating compensation fund for MTCC and other USF recipients.


III. Conclusion

The federal government supports some rural providers to promote the extension of the most modern telecommunications services to all consumers everywhere at just and affordable rates. The consumers who need and receive the most assistance are often those served by the locally-owned and managed small rural telecommunications company. These companies generally choose to serve their market areas based on a deep, abiding sense of obligation and loyalty to the heritage of the area, not because of the economic opportunity represented by the area's profile. As a whole, these companies, relative to their overall capital structure, have a much higher need for USF funds to be and remain viable. In other words, these companies work hard day in and day out to serve this underserved consumer segment in spite of the area's unfavorable and unattractive economic profile.

However, the uncertainty in the usefulness of current and future network equipment and the costs associated therewith caused by the proposed rule would devastate rural deployment of broadband fixed wireless networks. MTCC therefore requests that the proposed rule not be tied to USF funds unless the government proves that the use of such funds is an actual threat to national security, that the rule offer an effective waiver process, and that a sufficient mitigating compensation fund in the event that the rule is deemed to apply to MTCC and other USF recipients.

Respectfully submitted,

MARK TWAIN COMMUNICATIONS
COMPANY

By: 
Donald L. Herman, Jr.
Carrie L. DeVier
Herman & Whiteaker, LLC
6720B Rockledge Drive, Suite 150
Bethesda, MD 20817
Its Attorneys

June 1, 2018